

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1758</b>	<b>Date: June 19, 2009</b>
	<b>Change Request 6552</b>

**SUBJECT: Correction to Fiscal Year (FY) 2009 Medicare Severity Long- Term Care Diagnosis-Related Group (MS-LTC-DRG) Weights**

**I. SUMMARY OF CHANGES:** In an interim final rule with comment period (IFC) published in the Federal Register on June 3, 2009, CMS implemented revised Medicare severity long term care diagnosis related group (MS-LTC-DRG) relative weights for payment under the long term care hospital (LTCH) prospective payment system (PPS) for Federal FY 2009. The FY 2009 MS LTC DRG relative weights were revised due to the misapplication of the established budget neutrality methodology. The revised FY 2009 MS-LTC-DRG relative weights presented in Table 11 of that IFC are effective for the remainder of FY 2009 (that is, for LTCH PPS discharges occurring on or after June 3, 2009 through September 30, 2009). The attached Recurring Update Notification applies to Chapter 3, Section 150.

**NEW / REVISED MATERIAL**

**EFFECTIVE DATE: June 3, 2009**

**IMPLEMENTATION DATE: July 6, 2009**

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)**

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

**III. FUNDING:**

**SECTION A: For Fiscal Intermediaries and Carriers:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**SECTION B: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – Recurring Update Notification

<b>Pub. 100-04</b>	<b>Transmittal: 1758</b>	<b>Date: June 19, 2009</b>	<b>Change Request: 6552</b>
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**SUBJECT: Correction to Fiscal Year (FY) 2009 Medicare Severity Long-Term Care Diagnosis-Related Group (MS-LTC-DRG) Weights**

**Effective Date:** June 3, 2009

**Implementation Date:** July 6, 2009

## I. GENERAL INFORMATION

**A. Background:** In an interim final rule with comment period (IFC) published in the **Federal Register** on June 3, 2009, CMS implemented revised MS-LTC-DRG relative weights for payment under the long-term care hospital (LTCH) prospective payment system (PPS) for Federal FY 2009. The FY 2009 MS-LTC-DRG relative weights were revised due to the misapplication of the established budget neutrality methodology.

**B. Policy:** The revised FY 2009 MS-LTC-DRG relative weights presented in Table 11 of that IFC are effective for the remainder of FY 2009 (that is, for LTCH PPS discharges occurring on or after June 3, 2009 through September 30, 2009). Note, this revision to the FY 2009 MS-LTC-DRG relative weights did not affect the calculation of the geometric mean length of stay and the short-stay outlier (SSO) threshold for FY 2009 that were presented in Table 11 of the FY 2009 IPPS final rule.

CMS will be issuing a new LTCH PPS Pricer for the remainder of this FY that contains the revised relative weight table. We have instructed contractors to hold LTCH PPS claims with discharges on or after June 3, 2009 until the updated Pricer is in production.

## II. BUSINESS REQUIREMENTS TABLE

*“Shall” denotes a mandatory requirement*

Number	Requirement	Responsibility									
		A / B  M A C	D M  M A C	F I  I  E R	C A  I  E R	R H  I  S S	Shared-System Maintainers				Other
						F I S S	M C S	V M S	C W F		
6552.1	FISS shall install the LTCH Pricer effective for discharges on or after June 3, 2009.						X				
6552.2	Contractors shall append condition code 15 (to calculate applicable interest) prior to releasing held claims.	X		X							
6552.3	Contractors shall release held claims for processing once the LTCH Pricer is in production.	X		X							

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				Other
							F I S S	M C S	V M S	C W F	
6552.4	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X		X							

### IV. SUPPORTING INFORMATION

#### Section A: Recommendations and supporting information associated with listed requirements:

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
6552.2 6552.3	JSM/TDL 09319 was issued on June 3, 2009 to contractors instructing them to hold LTCH PPS claims with discharges on or after June 3, 2009. This CR instructs contractors to release those claims. There will not be a follow-up JSM/TDL.

#### Section B: All other recommendations and supporting information:

Providers: note that your claims will be suspended in an 'SM' status location.

### V. CONTACTS

**Pre-Implementation Contact(s):** ): [Sarah.Shirey-Losso@cms.hhs.gov](mailto:Sarah.Shirey-Losso@cms.hhs.gov) and [Michele.Hudson@cms.hhs.gov](mailto:Michele.Hudson@cms.hhs.gov)

**Post-Implementation Contact(s):** Appropriate Regional Office

## **VI. FUNDING**

### **Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

### **Section B: For *Medicare Administrative Contractors (MACs)*:**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.